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Vol. VI, Tab 38 - Ex. 34 - Rosetta Stone Competitive Analysis

Rosetta Stone

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Competitive Analysis

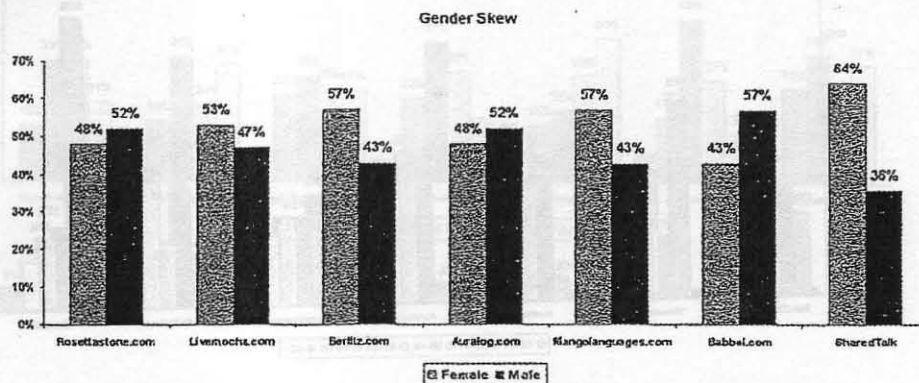
This report contains following information for these websites: rosettastone.com, livemocha.com, auralog.com, berlitz.com, mangolanguages.com and babbel.com.

- Demographic information: gender, age, ethnicity, household income, head of household education, having children age between 6 and 17) with absolute percentages and indices that is audience composition relative to the U.S. average.
- Traffic information to the sites: visits per month, average visits per unique visitors, unique visitors per months and website rank.
- Visit frequency (audience composition and share of visits.)
- Websites that have similar audience and brand and affinities

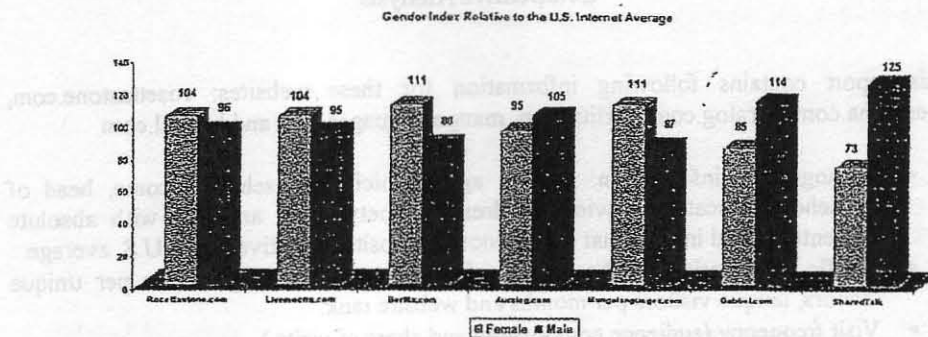
1. Demographic Information

a. **Gender Skew:** Rosettastone.com skews more male visitors than female (52% male vs 48% female). Auralog.com and Babbel.com has also relatively more male visitors to their websites. (See graph 1) while SharedTalk is more female skewed. The second graph indicates the indices that are derived from audience composition of the websites relative to the U.S. internet average. Rosettastone.com and Livmocha.com have 4%, Berlitz.com and Mangolanguages.com have 11% more likely to have female visitors than the U.S. internet average. (index=104 and 111 for female). On the other hand, Babbel.com and Auralog.com has 5% more likely to have male visitors to their websites when compared to the U.S. internet average. (*Note: High index does not necessarily mean a high percentage in an absolute sense.*)

Graph 1

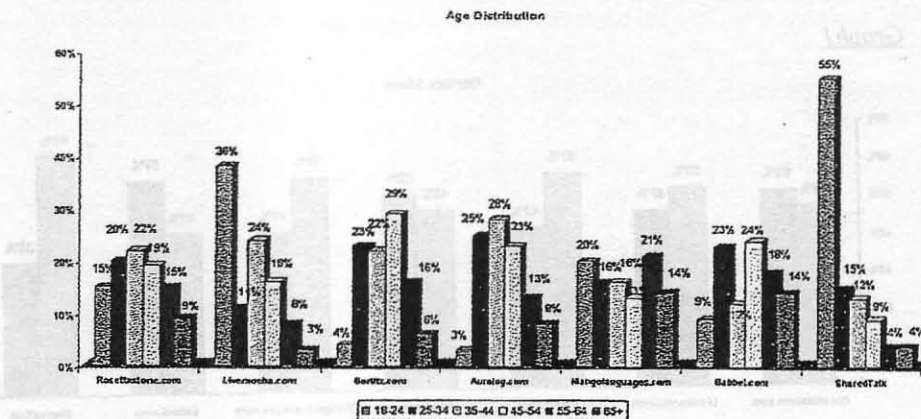


Graph2

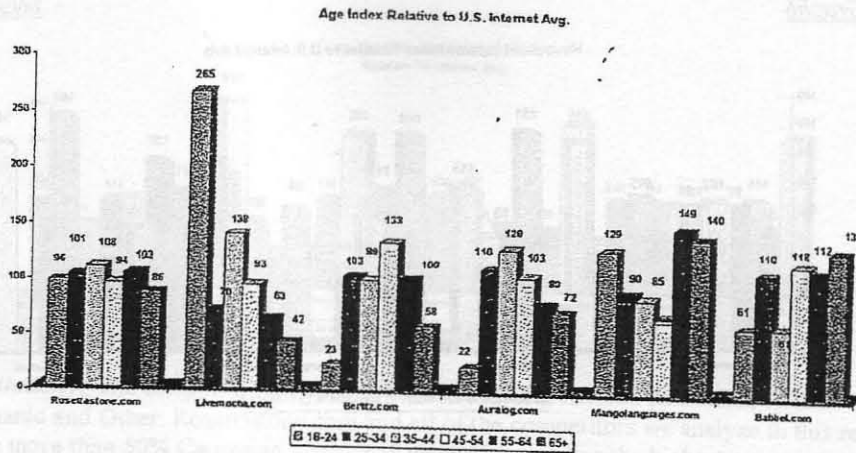


b. Age: The categories for the age variable are: 18-24, 25-34, 35-44, 45-54, 55-64 and 65+. Graph 3 shows that RosettaStone.com has more visitors that are 25-55 of age (61%). Visitors are 8% more likely to be 35-44 when compared to the U.S. internet average. Livemocha.com has very young visitors as expected. 38% of the visitors are 18-24 and 24% of them are 35-44. Auralog.com, Berlitz.com, Mangolanguages.com and Babbel.com have relatively older visitors. (Berlitz: 67%, Auralog: 66% viewers age 35-64; Mangolanguages.com: 48% and Babbel.com 56% viewers age 45-65+ respectively.) (Graph3) Age indices relative to the U.S. internet averages also indicate that Livemocha.com has 2.5 times more likely to have visitors 18-24, Mangolanguages.com and Babbel.com have more likely (40% and 31% respectively) to have visitors 65+ relative to the U.S. internet average.

Graph3

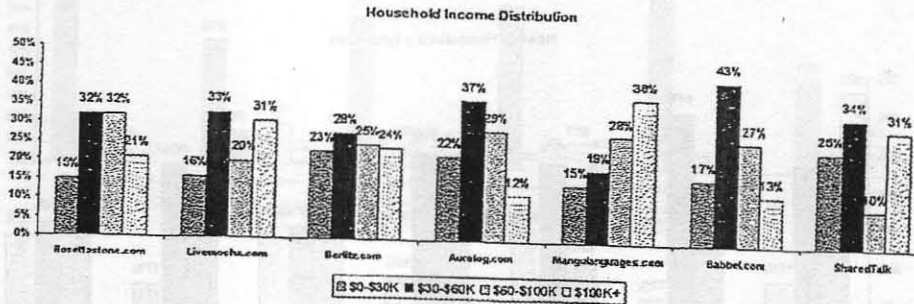


Graph4

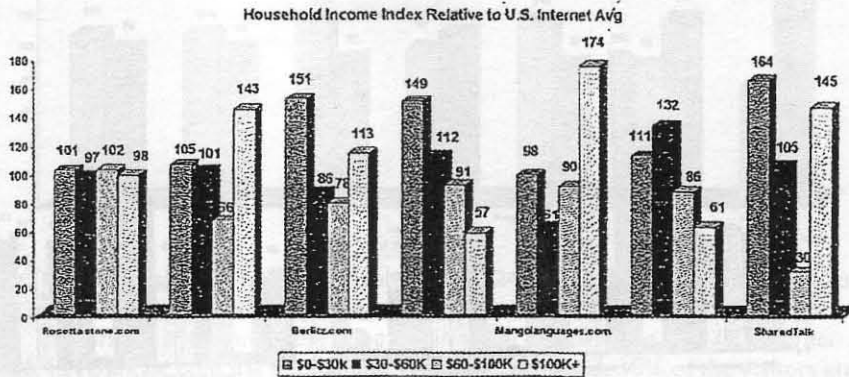


c. **Household Income:** 64% of the RosettaStone.com, 53% of Livemocha.com and Berlitz.com visitors have income between \$30k and \$100k. 31% of Livemocha.com and 38% of Mangolanguages.com visitors have income over 100k. Livemocha.com visitors are 43% and Mangolanguages.com are 74% more likely to have income over 100k when we compare to the U.S. internet average. (See graph6)

Graph5

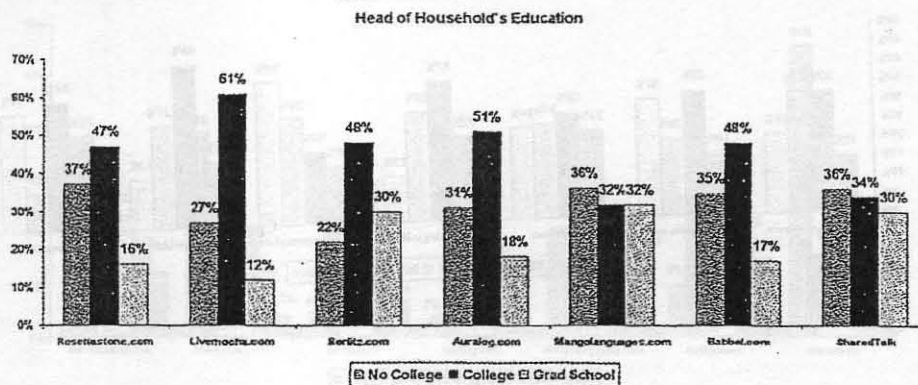


Graph6

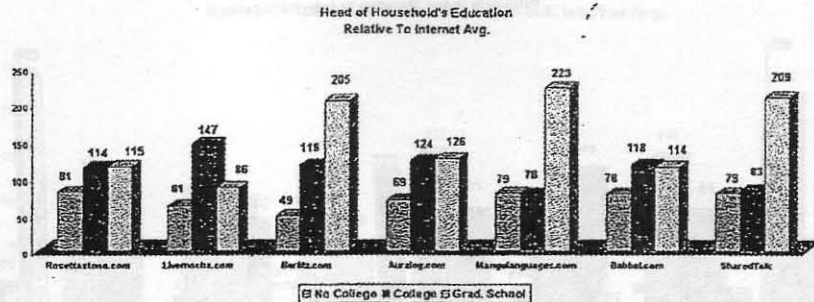


d. *Education of the Head of Household:* 63% of RosettaStone.com, 73% of Livemocha.com and 78% of Berlitz.com visitors' head of household have at least college education. Relative to the U.S. internet average, Berlitz.com and Mangolanguages.com have more than 100%, Auralog have 26% and RosettaStone.com have 15% more likely to have visitors' head of household that have graduate school education (see graph7 and graph8)

Graph7

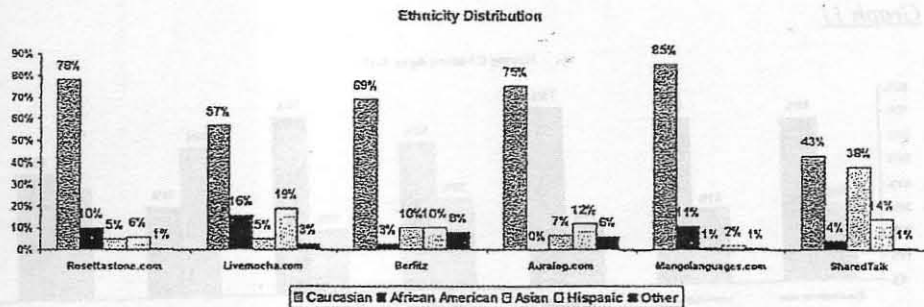


Graph8

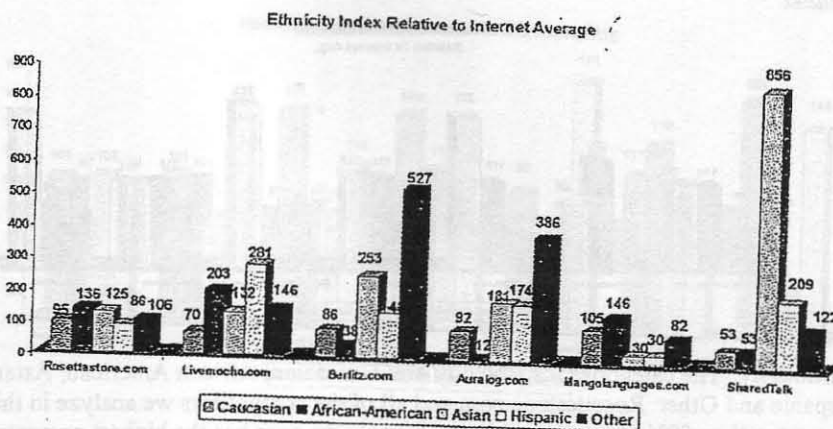


a. Ethnicity: The categories for ethnicity are: Caucasian, African American, Asian, Hispanic and Other. Rosettastone.com and all of the competitors we analyze in this report have more than 50% Caucasian visitors. Livemocha.com has the highest percentage of the African-American (16%) and Hispanic visitors (19%) among all of the websites in this report. Livemocha.com is 181% more likely to have Hispanic and 103% more likely to have African-American visitors relative to the U.S. internet average.

Graph9

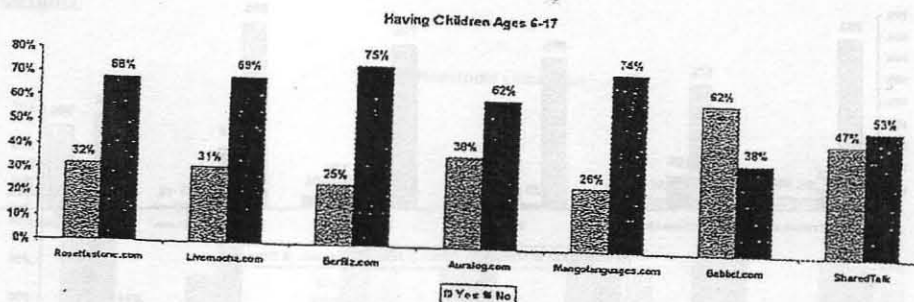


Graph 10



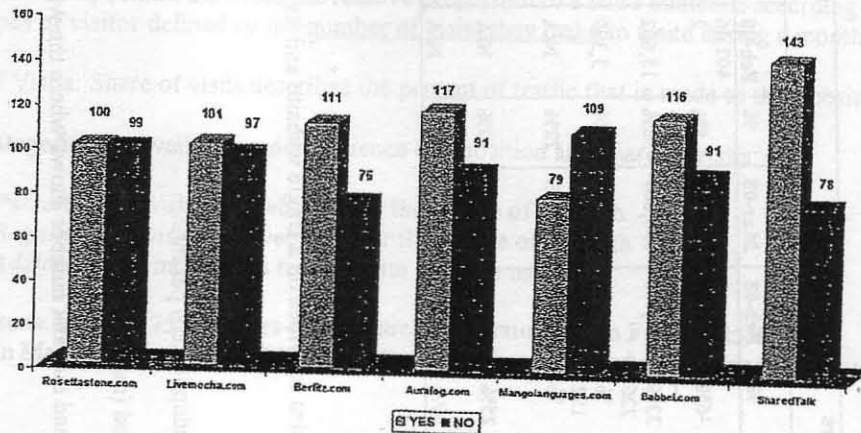
f. Children Ages 6-17 in Household

Graph 11



Graph 12

Having Children 6-17 Index Relative to U.S. Internet Avg.



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2. Traffic Information

	Visits Per Month			Avg. Visits per Unique			Unique Visitors Per month			Rank			Reach		
	Feb-08	Mar-08	%	Feb-08	Mar-08	%	Feb-08	Mar-08	%	Feb-08	Mar-08	%	Feb-08	Mar-08	%
Rosetta Stone.com	1,010,394	979,473	-3%	2.01	2.09	4%	501,619	469,713	-6%	5,690	5,391	5%	402,462	427,831	6%
Livemocha.com	131,931	107,683	23%	8.41	10.3	22%	15,692	10,459	33%	114,700	158,684	38%	15,692	8,664	45%
Berlitz.com	6,689	7,696	13%	1.40	0.49	65%	4,777	15,592	226%	337,830	126,804	62%	3,399	11,347	234%
Auralog.com	7,976	18,110	56%	1.88	1.7	10%	4,233	10,678	152%	232,748	182,489	22%	N/A	7,282	N/A
Mango languages.com	N/A	5,747	N/A	N/A	1.36	N/A	5,609	4,233	25%	353,135	317,337	10%	N/A	3,645	N/A
Babbel.com	N/A	392	N/A	N/A	0.27	N/A	N/A	1,433	N/A	1,039,946	719,177	31%	N/A	<2000	N/A

Definitions of the measurement terms:

Visits per month: Part of a session (internet browsing in a given month) that includes activities on a single website and its pages.

Average Visits per Unique: Average visits of a unique (unduplicated) visitor.

Unique Visitors Per Month: This number shows the number of unique visitors (unduplicated) per month.

Reach: A measure of the number of people visiting a site over a defined time period (monthly).

Rank: The source of this data Quantcast.com has 20,267,977 sites that they track and the rank number shows where the website falls in this rank.

3. Visit Frequency

Audience Composition and Share of Visits :

"Audience Composition describes the relative proportion of a site's audience according to three types of visitor defined by the number of visits they make to a site during a month."

Share of Visits: Share of visits describes the percent of traffic that is made to the website.

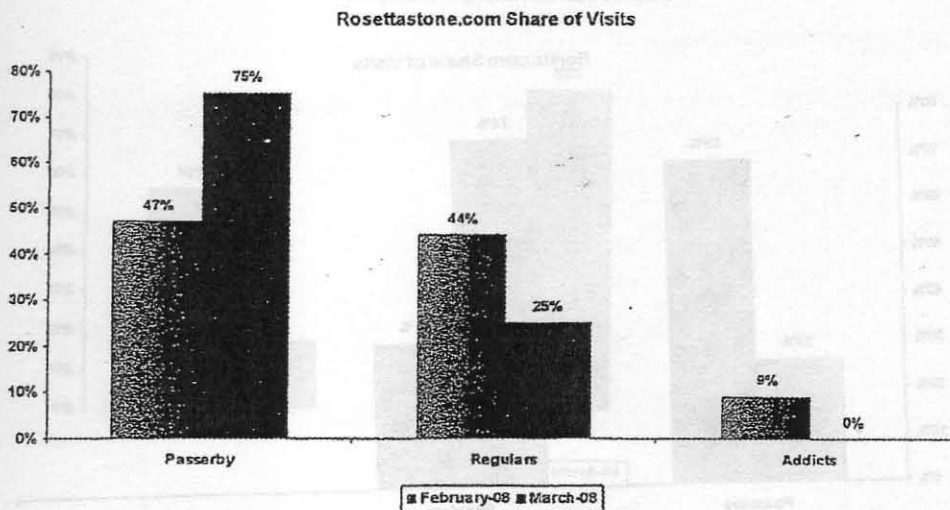
Three categories are available under audience composition and share of visits:

Passers-by: 1 visit to a website over the course of a month

Regulars: >1 visits to a website over the course of a month

Addicts: 30 or more visits to a website within a month

Rosettastone.com has 75% passers-by in March-08 versus 47% in Feb-08. 25% of the visitors in Mar-08 are regulars (6% more than previous month) and no addicts this month.



Summary Information of Visitors of The Competitor Websites

Rosettastone.com is a top 10,000 site that reaches over 469K U.S. monthly uniques. The site caters to a *more educated audience*. The typical visitor *watches Travel Channel*, uses *loveme.com*, and reads *acm.org*.

Livemocha.com reaches approximately 10,459 U.S. monthly uniques. The site attracts a *college educated, slightly female slanted, younger audience*. The typical visitor visits *esmas.com* and consults *US Government Travel Info*.

Auralog.com offers online foreign language courses, and CD-ROM software, for learning Spanish, French, German, Italian, Chinese, Japanese, Dutch and English as a second language. The site caters to a *more educated audience*.

Berlitz.com attracts *slightly female slanted, more educated, primarily older* visitors. The typical visitor uses *apolloblibrary.com*, visits *ed.gov*, and attends the *University of Texas*.

Mangolanguages.com attracts a more affluent, *slightly more female* visitors. The typical visitor reads the *Chicago Tribune*, watches *BBC News*, and subscribes to *National Geographic*.

Babbel.com attracts primarily *older, very slightly male biased* visitors.

SharedTalk.com caters to a mostly female, Asian, more educated, youthful audience. The typical visitor uses *justsayhi.com* and reads *funnyjunk.com*.



Share of Visits

	Rosettastone.com			Livemocha.com			Berlitz.com			Auralog			MangoLanguages			Shared Talk
	Feb-08	Mar-08	%	Feb-08	Mar-08	%	Feb-08	Mar-08	%	Feb-08	Mar-08	%	Feb-08	Mar-08	%	Mar-08
Passerby	47%	75%	60%	10%	14%	40%	26%	69%	165%	61%	38%	38%	55%	18%	68%	10%
Regulars	44%	25%	-43%	42%	36%	14%	74%	31%	-58%	39%	62%	59%	44%	82%	86%	43%
Addicts	9%	0%	100%	48%	51%	6%	0%	0%	n/a	0%	0%	n/a	0%	0%	n/a	47%

4. Brand and Site Affinities and Similar Audience (March -08): The following charts display the other internet destinations or particular sites that visitors have a strong affinity for. Affinity scores show the strength of the affinity relative to the U.S. internet population. Note: "Affinity scores are only statistical correlations and do not indicate why sites have similar audiences."

ROSETTASTONE.COM	LIVEMOCHA.COM	BERLITZ.COM	MANGOLANGUAGES.COM
Brand & Site Affinities	Brand & Site Affinities	Brand & Site Affinities	Brand & Site Affinities
Travel News & Info Affinity	Hispanic Affinity	Educational Resources Affinity	Regional/Local News Affinity
internationalliving.com 7.4x	esmas.com 11.4x	apolloblibrary.com 15.3x	Chicago Tribune 7.4x
conciierge.com 3.0x	espanol.answers.yahoo.com 10.9x	phoenix.edu 10.1x	The Guardian (UK) 4.2x
the Travel Channel 2.8x	terra.com 8.2x	Department of Education 6.6x	Houston Chronicle 2.2x
	Univision TV 7.2x	Free Application for Federal Student Aid 4.7x	San Francisco Chronicle 2.2x
Personals Affinity	Government Affinity	Government Affinity	News Affinity
loveme.com 7.3x	U.S. Citizenship & Immigration Services 8.8x	Department of Education 6.6x	BBC News 6.5x
Match.com 2.3x	Department of Education 3.5x	Bureau of Labor Statistics 3.4x	Reuters 3.0x
singlesnet.com 2.2x	Bureau of Labor Statistics 3.0x	Central Intelligence Agency 3.0x	Wall Street Journal 1.5x
Yahoo! Personals 2.1x	usa.gov 2.2x	Unites States Department of Agriculture 2.8x	
Science & Technology Affinity	Travel News & Info Affinity	Schools/Universities Affinity	Science & Technology Affinity

acm.org 4.8x
science.howstuffworks.com
3.9x
Scientific American 3.7x
Popular Science 3.5x

US Government Travel Info 6.4x
U.S. Department of State 5.9x
Trip Advisor 2.3x

the University of Texas 5.5x
Michigan State 4.6x
Penn State 3.0x
Berkeley 1.4x

ScienceDaily 4.7x
National Geographic 3.4x
NASA 2.4x
Scientific American 1.9x

ROSETTASTONE.COM	LIVEMOCHA.COM	BERLITZ.COM	AURALOG.COM	MANGOLANGUAGES.COM
Similar Audience Site and Affinity Score onlinelanguagelearning.com 390.1x rosettastone.custhelp.com 326.5x psparmybe.skillport.com 268.2x foreignlanguagestudy.org 262.7x usarmy.skillport.com 145.4x ww3.pimsleurapproach.com 125.4x tellmemorestore.com 121.8x pimsleurdirect.com 81.5x auralog.com 79.0x shoptransparent.com 78.2x early-advantage.com 59.2x myspanishooach.com 58.6x getihnc.com 57.9x languageresourceonline.com 56.4x deal-z.com 53.8x rocketlanguages.com 51.6x byki.com 49.5x visuallinkserver.com 42.4x apologia.securesites.net	Similar Audience Site and Affinity Score all-learnenglish.com 390.4x englishbaby.com 368.7x my-learn-english.com 333.8x englishclub.com 238.4x better-english.com 183.4x pronunciationpatterns.com 132.6x usingenglish.com 102.2x a4esl.org 89.5x english-test.net 82.2x englishpage.com 74.0x iteslj.org 72.8x lingolex.com 72.2x esl.about.com 66.6x englishdaily626.com 66.1x grammar.ccc.commnet.edu 49.4x eslpartyland.com 46.8x tugente.aol.com 44.7x berlitz.us 40.6x ccc.commnet.edu 40.0x	Similar Audience Site and Affinity Score berlitz.us 5503.7x els.com 117.4x word2word.com 68.6x proquest.umil.com.ezproxy.apoll ... 50.3x umil.com.ezproxy.apollolibrary. ... 50.3x toefl.startpractice.com 40.5x mhprofessional.com 39.7x esl.about.com 38.7x webport.cgc.maricopa.edu 36.3x toeflpractice.ets.org 32.3x startpractice.com 30.9x iteslj.org 30.8x com.ezproxy.apollolibrary.com 26.9x ezproxy.apollolibrary.com 26.6x kb.phoenix.edu 25.3x humnet.ucla.edu 23.3x cgc.maricopa.edu 22.6x japan-guide.com 18.0x omniglot.com 15.9x	Similar Audience Site and Affinity Score tellmemorestore.com 3559.6x cloud10corp.com 746.5x verafast.com 241.4x pimsleur.english-test.net 99.6x sciathome.com 84.8x keyforcash.com 80.5x rosettastone.com 79.0x byki.com 56.3x toptenreviews.com 38.3x ictgroup.com 31.5x launch.rosettastone.com 28.1x cashcrate.com 17.1x arise.com 15.3x italian.about.com 13.9x onlinejobsreview.com 12.7x westathome.com 11.9x kb.palm.com 10.3x palm.com 9.4x rebateprocessorjobs.com	Similar Audience Site and Affinity Score homefires.com 94.7x mango.com 77.3x localhs.com 62.1x oldfashionededucation.com 49.9x byki.com 34.0x homeschoolstore.com 17.5x launch.rosettastone.com 17.0x scoutsongs.com 16.0x homeschool.com 12.5x angelinaballerina.com 9.7x rosettastone.com 8.5x chicagotribune.com 7.4x en.allexperts.com 6.6x allexperts.com 6.5x news.bbc.co.uk 6.5x hclib.org 6.2x flag.craigslist.org 5.8x shots.snap.com 5.8x libraryspot.com 5.7x

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